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ABSTRACT

A project was conducted in Arkansas to infuse commodity marketing content into the agriculture curriculum. Thirty-three schools were selected to participate in the program; teachers from those schools attended a 2-day inservice program presented by a state coordinator for the project. The state coordinator also provided supervision and technical assistance for the project, developed a resource list, developed guidelines for teaching commodity marketing, and evaluated the project. The primary objective of the marketing activity was to teach students about economics through the futures market. Students studied the decision-making processes involved in marketing farm commodities, how to manage risks, how to identify economic factors affecting farm commodities, and how to develop economic reasoning. The course content was infused in agriculture courses during a semester; student teams then competed in projects and written tests, with prizes being awarded. The project was regarded as successful by almost all the teachers, with more than half wanting to make commodity marketing a separate course in the future. (Appendixes include evaluation forms, a list of schools participating in the project, newspaper clippings, and a resource manual.) (KC)

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FINAL REPORT

INFUSING COMMODITY MARKETING INTO THE AGRICULTURE CURRICULUM

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Conducted by

Northeast Arkansas Educational Cooperative
Strawberry, Arkansas
Donna Harris, Project Director

In Cooperation with
Vocational and Technical Education Division
Arkansas Department of Education
Little Rock, Arkansas 72201

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INFUSING COMMODITY MARKETING INTO THE AGRICULTURE CURRICULUM

Introduction

The infusion of commodity marketing into the agriculture curriculum was an outgrowth of a previous project that ended June 30, 1990. Under the previous project "Regional Program Developer", a commodity marketing seminar was held for the teachers in Northeast Arkansas. The seminar was a joint effort between the Cooperative and the Chicago Board of Trade. The Chicago Board of Trade conducted the seminar. (See news article in appendix.) There arose a need to incorporate commodity marketing into the curriculum because today most students do not work directly in agricultural production but rather in other diversified areas such as commodity marketing, research, bio-technology, and education.

At the national level, a 'pilot' program called the FFA Commodity Marketing Activity had been initiated in Michigan in 1988, with Illinois and Oklahoma becoming participants in 1989.

The expansion included ten states in 1990 (Arkansas was included in the ten) with an additional ten states to be added in 1991 and each year thereafter until all states who elect to participate have an opportunity to do so. The 'pilot' program is sponsored by the Stewart-Peterson Advisory Group, the Chicago Mercantile Exchange, and the Chicago Board of Trade as a special project of the National FFA Foundation.

The purpose of the proposal was to have a statewide coordinator to provide supervision and technical assistance to the identified schools that would be involved in the project as well as to coordinate the activities for the year. The coordinator would be under the direction of the Agriculture Department in the Vocational and Technical Division.

Expectations of the coordinator were:

1. After the forty schools were identified through the agriculture education section of the Division, the coordinator would communicate to the school administration the schedule of activities in which their agriculture department would be involved;

2. Coordinate with the Stewart-Peterson Advisory Group to conduct registration for the two-day inservice;

3. Provide supervision and technical assistance to the forty schools;

4. Develop a resource list for agriculture teachers in the area of commodity marketing in conjunction with the agriculture education section of the Division;

5. Develop guidelines that can be disseminated to the agriculture teachers who do not participate in the project so they may implement the model when appropriate;

6. Conduct an evaluation of the inservice workshop;

7. Conduct an evaluation at the end of the project.

In expectation number one above, there were thirty-three schools identified to participate in the project. The teachers from the schools attended a two-day inservice at Camp Couchdale in July, 1990. All other expectations were met. (See list of participting schools in appendix.)

Objectives and Expected Results

The primary objective of the marketing activity was to teach students about economics through the futures market. Students would learn the decision-making process involved in marketing farm commodities, how to manage risks, identify economic factors affecting farm commodities and develop economic reasoning. The activity was aimed at students from farms who wish to learn how to use commodity markets and non-farm students interested in marketing careers.

The expected results were:

1. To learn the decision-making process involved in marketing a farm's production;
2. To learn how to manage risk of commodity prices in marketing a farm's production;
3. To learn various methods of marketing a farm's production, including cash, forward contract, futures and options;
4. To understand various opportunities in marketing;
5. To understand the mathematics needed to compare the value of various marketing alternatives;
6. To understand the terms and strategies of various marketing methods;
7. To experience the mechanics of actual trading;
8. To gain "real marketing experience" with hogs, cattle, corn, soybeans, and wheat.

By participating in the project, students and educators would become more knowledgeable about the following concepts: the importance of supply and demand and the role of the marketplace in price discovery; the basics of marketing agricultural commodities; the impact of add-on costs or how and why different commodities are priced; interest rates and financial instruments; and the futures market, its origins, and its role in commodity marketing.

Procedure

Applications to participate in the commodity marketing activity were solicited by the state agricultural education department with no more than forty schools being selected as initial participants. (After the first year, any agriculture department may participate the following year.) The teachers, along with faculty representatives, would receive a two-day inservice training conducted by Roy Peterson from the Stewart-Peterson Group of West Bend, Wisconsin.

During the fall of 1990, the teachers were to infuse the marketing program into their respective departments.

The marketing activity 'pilot' program is comprised of two levels: Level I and Level II. A school may participate in either level or both.

> Level I: The Chicago Board of Trade Commodity Challenge, is an individual activity, designed as an introductory course. It provides the basic introduction to supply and demand, as well as the mechanics of commodity marketing. A student researches a particular commodity and tracks it. The student then submits a written project for competition. State awards are given, as well as a chance to compete on a "national" level.

When schools register for this activity, they receive the introductory book called The Commodity Challenge to be used for instructional purposes. There were twelve schools that registered with the Chicago Board of Trade to participate in this activity, but only four schools submitted written projects.

The state winner for this level was Kristi Evans from the Springdale FFA Chapter. She won a $100 savings bond. She is now eligible to compete at the regional level which is made up

Arkansas, Oklahoma and Kansas. The regional winner and advisor will go to Chicago in July to participate at the national level. The individual students from the other schools submitting written projects in Level I received a $50 savings bond. These awards are given by the Chicago Board of Trade. These winners were also presented certificated from the Arkansas FFA Association.

> Level II is an intrastate competition involving simulated marketing of five commodities: corn, wheat, soybeans, cattle and hogs. This program enables the students to become familiar with cash markets, forward contracting, futures, and options. Three to six member teams make a minimum of one trade per week which are recorded by the use of a toll free line to the Stewart-Peterson Advisory Group. At the conclusion of the designated trading period, 20% of the participating teams are eligible to take an examination prepared by the sponsors. The team earning the highest combined totals in the trading and test scores will be named the state winner and will receive a $300 scholarship to be divided among the team members.

The written test is divided into two parts. Part I is administered first and is a closed book test. This portion of the test is based on general market terms and knowledge which would have been taught in class. Part II of the test is based on market events which occurred during the time of the trading activity. Students were to keep a journal of current events during the trading period. Students are allowed to use up to eight pages of notes. Individual team members must work independently in arriving at their answers on both parts.

Thirty-three teams from sixteen schools participated in this activity. Prior to the trading activity, which took place from October 22 to December 14, 1990, students were taught marketing basics, fundamental analysis, technical

analysis, using futures, options terms, options strategies, marketing math, and marketing how-to.

Twenty-one teams were eligible to take the written test in March. One site was at Arkansas State University in Jonesboro, and the other test site was at Twin-Lakes Vo-Tech in Harrison.

The state winner on the simulated commodity marketing activity was Green Forest FFA Chapter. The team received a $300 scholarship from the National FFA Foundation and will also receive a plaque for the agriculture department.

Each participating team received certificates from the National FFA Foundation as well as certificates from the Arkansas FFA Association. Awards were given at the State FFA Convention at Camp Couchdale June 5, 1991. (See news article in appendix.)

In preparation to carry out the marketing program this year, inservice was held for two days for participating teachers, college faculty, state department and co-op personnel at Camp Couchdale last July. The training focused on the basics of marketing, information for both levels of competition, as well as detailed information on the five commodities involved in the simulated activity and specific information covering the competition segments of the program.

Each participant received a teacher guide to commodity marketing. It was comprised of curriculum content, teacher overheads, and student pages. The workshop received high rates as indicated on the evaluation form. (See evaluation in appendix.)

A follow-up inservice was conducted for teachers in October prior to the trading activity. Dr. Keith Rogers at Arkansas State University conducted the inservice at that site and Dr. Ed Fryar conducted the inservice at the University of Arkansas at Fayetteville.

Evaluation

The evaluation process consisted of obtaining information from participating teachers. (See evaluation instrument in Appendix.) On-site visits were made to each school during the project.

The activities met the desired outcome for the instructional program by 94% of the teachers. All of them responded that the marketing project provided a meaningful learning experience for their students.

Teachers would not make any changes in the format of the Level I activity.

The overall format of Level II is good but would be better with a few modifications. The time span for trading--eight weeks--is about right; if lengthened, no more than two weeks. The main concern is that teachers needed more time to teach the content before the trading began.

A more timely response on student and team placings is needed. We did not learn which teams were eligible to take the written test until the middle of January. Since February is a busy month for Arkansas teachers, the test could not be given until March. We did not learn the winner and the placings of other teams until April.

The original time line was for the test to be given in January. One problem with the test not being given closer to the end of the trading activity is that many students change classes at semester. Teachers realize that the framwork of the activity is done the first semester, but from an instructional viewpoint, it would be better if the test could be given prior to the beginning of the second semester.

The following comments were made by teachers about their students' experiences in the activity" "They realize that all the actual trading taking place does not involve the actual commodity delivery", "They actually understand the market reports on TV", "Immediate feedback from markets provided reinforcement to applied lessons", "It showed how marketing can make a difference in a profit or a loss", "Placing orders with the broker was a very meaningful experience", "It put them in a real-life situation", and "I love to hear students discussing marketing using marketing terms".

Trading of the actual commodity be calling a broker was the most successful activity. Students gained knowledge of the commodity market through this process, as well as keeping daily charts of price changes. The most difficult concept for teachers to teach and students to grasp was options--puts and calls.

According to 83% of the teachers, commodity marketing needs to be taught in the Agribusiness/Farm Management class. Fifty percent responded that a separate course on commodity marketing needed to be in the curriculum to allow for students to understand and grasp the concepts before the actual trading began.

Seventeen percent of the teachers responded that infusion of commodity marketing into Animal Science and Crop Production works pretty well. Three teachers did the activity on an independent basis and it did not work well at all.

Teachers that used AgriData Network or ACRES electronic services responded that such a service enhanced the activity. Students could observe the price changes and get relevant, timely, and accurate information. This type of service also gives the lastest current information of events happening in agriculture. This is a very good tool to use to develop the journals the students need in the activity. Fifty-six percent of the teachers had access to a service.

Lack of knowledge and curriculum material was the most recurring reason why commodity marketing had not been taught in depth before the project. In teaching the marketing content, teachers experienced varying degrees of anxiety levels. Seventeen percent had a highly moderate level, 38% moderate, 28% mild, and 17% experienced no anxiety.

Eighty-two percent of the teachers responded that marketing instruction should target the middle to high ability student. Fifty-nine percent responded that students would be more successful if they had a prior knowledge of economics or a better background in math.

Many students became interested in marketing and wish to pursue it further. Comments from students were varied such as: "Very interesting", "It's fun", "Keeps you wondering from day to day about the change in prices", "Important to take this class, gave me a better understanding of the futures market", "I have

a better understanding of the Law of Supply and Demand", "I learned how to read commodity prices", and "It's not just farming, it's big business".

Approximately 200 students were involved in the Level I and Level II activities. According to their responses, trading was the favorite activity while agricultural math was the least favorite. Another positive activity was the reading of commodity prices. Students kept charts and during the activity learned how the market operates and how trading is done. Marketing strategies came in second as hard to understand. But the majority of the students liked it and would recommend it to other students. Some students commented that they would like see a workshop provided for them.

Recommendations and Conclusions

The recommendation from this project is that commodity marketing needs to be taught indepth in the agriculture curriculum. It preferably needs to be taught as a separate course or infused heavily into the Agribusiness or Farm Management class with emphasis on market strategies and trading.

All of the teachers would recommend commodity marketing to other teachers. It was a good learning experience for both teachers and students. Sixty-one percent of the teachers responded that they they would teach commodity marketing next year. Some teachers would not be able to because of scheduling and rotation of classes every other year.

Another recommendation from teachers is that more inservice training be provided to enhance their effectiveness in the classroom to teach marketing. Most of the teachers out in the field have not had experience in this area and did not receive any training at the college level. One teacher commented that all teachers should have the curriculum guide that the project participants received during inservice training.

Also at the collegiate level, agriculture education majors need to have commodity marketing as part of their training as well as how to teach it in the classroom. This recommendation goes right along with the recommendation from the Committee on Agricultural Education in Secondary Schools: "Colleges of agriculture should become more involved in teacher preparation and inservice education programs, curriculum reform, and the development of instructional materials and media."[1]

Agriculture education is changing and should be moving in new dirctions. "The subject matter of instruction in and about agriculture must be broadened to give way to a much broader area, including the utilization of agricultural commodities, agribusiness marketing and management in a global economy."[2]

The appendix includes evaluation forms, news articles, and resource materials developed under this project.

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[1]Committee on Agricultural Education in Secondary Schools, Understand Agriculture: New Directions for Education, National Academy Press, Washington, D.C., 1988, p.6.

[2]Ibid., p.7

APPENDIX

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Participating Schools in Project 21

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Commodity Marketing Resources Manual 30

BIBLIOGRAPHY

Committee on Agricultural Education in Secondary Schools. Understanding Agriculture: New Directions for Education, National Academy Press, Washington, D.C., 1988, p. 6-7.

An Introduction to Commodity Marketing. Teacher Guide, 1990/1991, Chicago Mercantile Exchange.

WORKSHOP EVALUATION FORM

Date: July 18, 1990 Location: Camp Couchdale

Your Position: _____Administrator, Title:_____

_____Teacher, Level & Area:_____

PLEASE RATE TODAY'S PROGRAM BY CIRCLING THE APPROPRIATE NUMBER

	High				Low
1. Program purpose and objectives were clearly outlined.	(5)	4	3	2	1
2. Program format was well organized.	(5)	4	3	2	1
3. Content, ideas, and activities were related to objectivies.	(5)	4	3	2	1
4. Information was presented adequately and clearly.	(5)	4	3	2	1
5. Information was applicable.	(5)	4	3	2	1
6. Handouts and/or AV materials were appropriate.	(5)	4	3	2	1
7. Participants had opportunity for input and/or interaction.	(5)	4	3	2	1
8. The program offered a balance of lecture, discussion, and activities.	(5)	4	3	2	1
9. Objectives were met as outlined.	(5)	4	3	2	1

PLEASE COMMENT ON THE FOLLOWING:

10. Which part of the program was most beneficial to you?
None—The Teachers Guide——Terms—Information received—The new information presented—Geting something to use for my Ag business course—Instructions & Workbooks. The instructor was excellent—— Handouts and/or AV materialswere excellent—Options—Cattle Marketing— The basic Knowledge & books——Information concerning commodities and the fimure market wes very good.——Lecture——Discussion on each chapter.— All of it.—To long(boring)——Level I——Written materials & AV.—— No one part was more beneficial than any other.—All of it—All was of great benefit——All of it.—

11. Which would you chance to make the program more effective?
The days did get long/maybe need to have it for 2½ to 3 days.—— More time for program——None——The instructor did an excellent job.— spread it out over a longer period of time——Nothing—More days—— Longer workshop/this was to much information for 2 days.—— more hands on activities would have been helpful.——none——Make more basic—— A little more basic in the content, as some parts were hard to follow.— very well done——YES——Lower in technical part.——more simulations, examples.——Lower key/stretch it a little.——I would include more hands-on activities.——Make it a 3 or 4 day program with more work/hands on things for teachers.——More hands-on working through the process.—

12. Additional Comments :
Good workshop, one of the best we've had.——— Excellent—— This is the best workshop that I have attended in 20 years of teaching.—Excellent.— Good—— The Instructor was very knowledgeable, but since I was so unfamiliar with the subject matter I still feal very uncomfortable with this.——More simple for Student teachers.—— Needed in the Ag. Ed. area, ——very appropiate.——Extremely good! very beneficial——

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FFA COMMODITY MARKETING ACTIVITY

EVALUATION

Spring, 1991

GENERAL QUESTIONS

1. Did the objectives/activities meet the desired outcome for your instructional program? Yes____ No_____

   What activities were the most successful? Please specify.

2. What is the best time of the year to teach commodity marketing?

3. What modifications, revisions do you recommend for this learning activity?

   Level I -- Commodity Challenge, if applicable

   _____

   _____

   _____

   Level II -- Simulated Commodity Marketing, if applicable

   _____

   _____

   _____

4. Did the commodity marketing project provide a meaningful learning experience for the students? Yes_____ No_____ Give an example.

5. Did the students feel challenged by the content? Yes_____ No_____

6. Did the students feel challenged by the activities? Yes_____ No_____

7. Was the content organized so that you and your students could understand and follow it? Yes_____ No_____ If no, how could it be better organized?

8. If you had never taught commodity marketing before this year, was it because of lack of knowledge, lack of time, or did not fit into curriculum, or other. Please comment

In presenting or teaching the marketing content, to what degree did you experience anxiety?

Highly Moderate_____ Moderate_____ Mild_____ None_____

9. What ability level of student should commodity marketing instruction target?

   High_____ Middle_____ Low_____ Mainstreaming of all levels_____

10. Do students need prior knowledge in certain areas before participating in such an activity? Yes_____ No_____ Name specific area/s.

    _____

11. Was public relations with the community enhanced because of the project? Yes_____ No_____ If yes, how? Give an example.

12. Did you bring in outside resources to discuss commodity marketing?

    Yes_____ No_____ If so, check appropriate response below.

    Local Commodity Broker_____ Resprsentative from Grain Elevator_____

    Representative from Livestock Barn_____ Other (specify)_____

13. Were any field trips taken to expose students to how commodity marketing is used? Yes_____ No_____ If yes, where did you go on the field trip?

13. Did you use any electronic service to obtain information such as ACRES, DTN, or Agri Data Network? Yes_____ No_____

    If yes, please specify. _____

14. What outstanding or interesting activity resulted from the project?

15. If you had never taught commodity marketing until the special project, what recommendations would you make for teaching it? How would you organize it? For example, would you teach it as a separate unit within an existing course, as a semester course, or infusion in another course such as animal science or field crop production. Explain fully.

16. Would you recommend this activity to other teachers? Indicate by checking appropriate response/s.

    Level I Yes_____ No_____ If no, why not?

    Level II Yes_____ No_____ If no, why not?

17. Will you teach commodity marketing next year? Yes_____ No_____
If no, why?

18. Would you be willing to participate in a sharing session for other agriculture teachers on commodity marketing? Yes_____ No_____

19. What should the teacher educator's role be in preparing teachers to teach agriculture marketing in the classroom?

20. Give your suggestions on how the program could be improved for other teachers so they would feel more comfortable about teaching something new.

LEVEL I -- THE COMMODITY CHALLENGE

1. How much time did your students use to complete the project? Estimate hours or hours per week.

   How much classtime was spent on the project?

   How much time outside the classroom was spent on the project?

2. Would you have your students participate in the project again? Yes_____ No_____
   Why or why not?

3. Does the scope and sequence of the curriculum content need to be changed? If so, what part or parts and how?

4. Did you use Level I and Level II materials together?

5. What supplemental materials were used? Please give title and publisher and other pertinent information such as book, magazine, video, etc.

6. What grade/s and course was involved in the project?

   Course_____ Independent Study_____

   How many students from each grade participated? Grade 9 _____
   Grade 10_____
   Grade 11_____
   Grade 12_____

LEVEL II -- SIMULATION QUESTIONS

1. What part of the contest was most confusing?

2. What could be done to encourage students to try different marketing tactics?

3. What was the level of interest by the students at the beginning of the activity compared to the end of the activity?

4. Was the trading time too long, too short, or o.k.? Comment fully.

5. Would you consider calling in the order a major benefit or would mailing in orders be just as good. Suggestions for improvement would be appreciated.

6. Did you have an adequate understanding of what would be on the test?

7. Once the activity started, how much time was spent on commodity marketing content?

8. Does the scope and sequence of the curriculum content need to be changed? If so, what part or parts and how?

9. Did you use Level I and Level II materials together?

10. What supplemental materials were used? Give title, publisher, and other pertinent information such as book, magazine, video, newspaper, etc.

11. What grade/s and course was involved in the project?

Course_____Independent Study_____

How many students from each grade participated? Grade 9 _____

Grade 10 _____

Grade 11 _____

Grade 12 _____

STUDENT RESPONSE SURVEY

1. Were you involved in the individual project (Commodity Challenge), the team activity (where orders were called into a commodity broker) or both? Circle correct response.

2. Did the commodity marketing activity provide a meaningful experience for you? Yes_____ No_____

3. What was your favorite section of the Commodity Challenge Project (Level I if applicable? Indicate by checking appropriate blanks.

   Not Applicable_____
   Economic Concepts (Law of Supply and Demand)_____
   Learning About Futures_____
   Reading Commodity Prices_____
   Mathematics of Futures Trading_____

4. What was your least favorite section on the Level I project, if applicabl

   Not Applicable_____
   Economic Concepts (Law of Supply and Demand)_____
   Learning About Futures_____
   Reading Commodity Prices_____
   Mathematics of Futures Trading_____

5. What was your favorite section of the team activity, if applicable?

   Not Applicable_____
   Trading_____
   Agricultural Math_____
   Marketing Strategies (options, futures, cash, forward contracting)_____
   Other(Please specify)_____

6. What was your least favorite section of the team activity, if applicable?

   Not Applicable_____
   Trading_____
   Agricultural Math_____
   Marketing Strategies (options, futures, cash, forward contracting)_____
   Other(Please specify)_____

7. Would you recommend this activity to other students? Yes_____ No_____

8. Was your interest maintained throughout the marketing activity?

   Yes_____ No_____

9. If you have additional remarks about this project, feel free to comment.

   _____

   _____

   _____

   _____

PARTICIPATING SCHOOLS IN
COMMODITY MARKETING ACTIVITY

Schools

Biggers-Reyno
Black Rock
Cabot
Cave City
Clinton
Cross County
Deer
Green Forest
Greene County Tech
Grubbs
Lamar
Mammoth Spring
Rogers
Springdale
Stanford
Strawberry
Stuttgart
Sulphur Rock
Tuckerman
Weiner

The Jonesboro Sun TUESDAY, JUNE 26, 1990.

Attend commodity school

Area agriculture educators recently attended an education seminar on commodity marketing at the Holiday Inn of Jonesboro. The seminar was conducted by the Chicago Board of Trade and was hosted jointly by the Northeast Arkansas Educational Cooperative at Strawberry and Arkansas State University.

Eugene Mueller and Jeffrey Campbell, education and marketing managers with the Chicago Board of Trade, presented sessions on "Introduction to Futures," "Hedging and Basis," "Marketing Alternatives," "Introduction to Options" and "The Commodity Challenge."

A national high school economic project called "The Commodity Challenge" will be enfused into the agricultural curriculum of 40 Arkansas schools during the 1990-91 school year. Area high schools to participate are Black Rock, Biggers-Reyno, Bradford, Cave City, Corning, Cross County, Greene County Tech, Grubbs, Hoxie, Mammoth Spring, Piggott, Stanford, Strawberry, Sulphur Rock, Tuckerman and Weiner.

Participants included Junior Barnett of Swifton; Randy Jones of Poughkeepsie; Larry Burrow of Sloan-Hendrix; Jim Hager and James Ashcraft of Pocahontas; Terry Waits of Greene County Tech; Joey Austin of Ridgecrest-Northeast Arkansas; Mickey McDaniel and Donnie England of Trumann; Rocky Clements of Bay; Homer Lenderman of Brookland; Doug Ward of Nettleton; Harold Ramsey of the Area Vo-Tech in Jonesboro; and Joe Estes of Buffalo Island Central.

Arkansas State University faculty attending: Dr. Keith Rogers, dean; Dr. John Bieber, Dr. Lew Brinkley, Dr. William Humphrey, Dr. Amos Rougeau, Joe Gammill, Emily Shackelford, Susan Park, Krissy Kollar, Steve Wilson, Dean Burnett, Kim Graves, James Graves, Dana Wilcox, Hspi Sohails, I. Schevil and Bryan Beck.

Donna Harris, vocational program developer of the educational cooperative, coordinated the seminar.

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DAILY RECORD

EDUCATION BRIEFS

Area schools take part in commodities program

JONESBORO — Seven area schools were represented at a seminar on commodity marketing conducted by the Chicago Board of Trade recently.

The Northeast Arkansas Educational Cooperative at Strawberry and Arkansas State University Agriculture Department hosted the seminar.

Attending from area schools were Fred Sifford of Batesville, Larry Brown of Cave City, Charles Fraser of Sulphur Rock, Bill Hill of Cushman, Jim Cunningham of Newark, Randy Jones of Poughkeepsie and James French of Evening Shade.

Cave City, Sulphur Rock and Strawberry school systems will take part in a new, national high school economic project, "The Commodity Challenge," which will become a part of the agricultural curriculum of 40 Arkansas schools during the 1990-91 school year, according to Donna Harris. Harris is the vocational program developer of the educational co-op.

LOCALS

Area Educators Attend Agricultural Commodities Seminar

Area agriculture educators recently attended an educational seminar on commodity marketing at the Holiday Inn in Jonesboro. The seminar was conducted by the Chicago board of Trade and was jointly hosted by the Northeast Arkansas Educational Cooperative at Strawberry and Arkansas State University Agriculture Department.

Mr. Eugene Mueller and Mr. Jeffery Campbell, Education and Marketing Managers with the Chicago Board of Trade, presented sessions on "Introduction to Futures", "Hedging and Basis", "Marketing Alternatives", "Introduction to Options", and "The Commodity Challenge."

A national high school economic project called "The Commodity Challenge" will be enfused into the agricultural curriculum of 40 Arkansas Schools during the 1990-91 school year. High school agriculture departments to participate in the economic project from Northeast Arkansas are: Black Rock, Biggers-Reno, Bradford, Cave City, Corning, Cross County, Greene County Tech, Grubbs, Hoxie, Mammoth Spring, Piggott, Stanford, Strawberry, Sulphur Rock, Tuckerman, and Weiner.

The following participants from the area attending the seminar were: Fred Sifford, Batesville; Larry Brown, Cave City; Charles Fraser, Sulphur Rock; Bill Hill, Cushman; Jim Cunningham, Newark; Randy Jones, Poughkeepsie; Larry Burrow, Sloan-Hendrix; Tim White, Williford; Gerald Cooper, Calico Rock; James French, Evening Shade; Jim Hager and James Ashcraft, Pocahontas.

Donna Harris, Vocational Program Developer of the Northeast Arkansas Educational Cooperative, coordinated the agricultural commodity marketing seminar.

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Educators attend four commodities seminar

Area agriculture educators recently attended an educational seminar on commodity marketing at the Holiday Inn in Jonesboro. The seminar was conducted by the Chicago Board of Trade and was jointly hosted by the Northeast Arkansas Educational Cooperative at Strawberry and Arkansas State University Agriculture Department.

A national high school economic project called "The Commodity Challenge" will be infused into the agricultural curriculum of 40 Arkansas schools during the 1990-91 school year. High school agriculture departments to participate in the economic project from Northeast Arkansas include: Black Rock, Hoxie and Strawberry.

The following participants from Northeast Arkansas attending the seminar included: Junior Barnett, Swifton; Larry Burrow, Sloan-Hendrix.

Donna Harris, vocational program developer of the Northeast Arkansas Educational Cooperative, coordinated the agricultural commodity marketing seminar.

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Agri teachers learn about commodities

Several area agriculture teachers recently attended a two-day training session at Camp Couchdale, Hot Springs, to prepare for a special commodity marketing project called "The Commodity Challenge" for the coming school year.

Attending the seminar were Will Calaway of Sulphur Rock, Richard Penn of Cave City, Larry Williams of Strawberry and Donna Harris, Northeast Arkansas Educational Cooperative at Strawberry.

Topics covered in the training session conducted by the Stewart-Peterson Advisory Group included marketing basics, fundamental analysis, technical analysis, using futures, options terms, options strategies, marketing math and marketing how-to.

The Simulated Commodity Marketing Activity provides participants an opportunity to experience and understand that risk is an inherent component of agricultural production which may be managed through commodity marketing. Students learn how to manage risk and maximize profits in agriculture production.

The activity simulated by marketing instruction in the high school agriculture classroom specifically teaches the purpose and function of commodity marketing, providing students interested in a career in agricultural business a fundamental understanding of marketing.

The Commodity Marketing Activity involves two levels of competition. Level One targets both non-farm and farm students on an individual student project basis. Students will learn the economics of price discovery, become familiar with business publications, learn basic business mathematics and understand the economics of the futures industry.

Level Two is on a team basis and involves marketing farm products — specifically corn, soybeans, wheat, feeder hogs and feeder cattle. Teams of students will actually call a commodity broker to place "mock" orders/trades.

During Level Two, students will learn the decision-making process involved in marketing farm commodities, how to manage risks, identify economic factors affecting farm commodities and develop economic reasoning. Level Two is aimed at students from farms who wish to learn how to use commodity markets and non-farm students interested in marketing careers.

The Commodity Challenge Project For Ag Teachers

Agriculture teachers across the state will be participating in a special commodity marketing project called "The Commodity Challenge" during the 1990-91 school year. Teachers and educators recently attended a two-day training session at Camp Couchdale in Hot Springs. The Stewart-Peterson Advisory Group conducted the training.

Topics covered were Marketing Basics, Fundamental Analysis, Technical Analysis, Using Futures, Options Terms, Options Strategies, Marketing Math, and Marketing How-To.

The Simulated Commodity Marketing Activity provides participants the opportunity to experience and understand that risk is an inherent component of agricultural production which may be managed through commodity marketing. Students learn how to manage risk and maximize profits in agriculture production. The activity simulated by marketing instruction in the high school agriculture classroom specifically teaches the purpose and function of commodity marketing providing students interested in a career in agricultural business a fundamental understanding of marketing.

The Commodity Marketing Activity involves two levels of competition. Level I competition is on an individual student project basis. Students will earn the economics of price discovery, become familiar with business publications, learn basic business mathematics and understand the economics of the futures industry. Level I targets both non-farm and farm students.

Level II competition is on a team basis and involves marketing farm products, specifically corn, soybeans, wheat, feeder hogs, and feeder cattle. Teams of students will actually call a commodity broker to place "mock" orders/trades.

Students will learn the decision-making process involved in marketing farm commodities, how to manage risks, identify economic factors affecting farm commodities and develop economic reasoning. Level II is aimed at students from farms who wish to learn how to use commodity markets and non-farm students interested in marketing careers.

Area teachers and educators attending the training at Camp Couchdale were: Will Calaway, Sulphur Rock; Charles French, Mammoth Spring; Richard Penn, Cave City; Larry Williams, Strawberry; Terry Rorex, Black Rock; J. D. Hulen, Hoxie; and Donna Harris, Northeast Arkansas Educational Cooperative, Strawberry.

Local news briefs

Ag schools participate in state competition

High school agriculture departments in six Northeast Arkansas schools are participating in the second round of state competition in the simulated commodity marketing activity implemented as a pilot project this year. They include departments at Biggers-Reyno, Black Rock, Cross County, Stanford, Strawberry and Weiner.

Round I of the competition involved teams of students marketing commodities of corn, wheat, soybeans, cattle and hogs throughout actual mock trading. Teams with the highest total net dollars from marketing qualified for the second level.

Round II of the competition involves taking written tests based on general market terms, knowledge of curriculum content and market events which occurred, during the time of the trading activity (October through December).

The top team in the state will receive a $300 scholarship. That team's school will receive a plaque. Every participating school will receive a certificate.

Testing site for area schools will be Arkansas State University.

Arkansas is one of 10 states piloting commodity marketing in the agriculture classroom this year. It is a project sponsored by the Stewart-Peterson Advisory Group, the Chicago Board of Trade, the Chicago Mercantile Exchange and the National FFA Foundation.

Donna Harris of the Northeast Arkansas Educational Cooperative at Strawberry serves as commodity marketing coordinator.

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***TOPS IN STATE** - This Green Forest FFA team ranked tops in the state during the Commodity Marketing Activity, Level II Competition. The program was initiated earlier in the school year to allow the students to experiment in the marketing field. Team members are, from left, Allen Poynor, Chris Humbard, Mike Kyle and Arron Hall. (Staff Photo - Laura Welch)*

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Green Forest FFA tops in program

A team from the Green Forest (Carroll County) Future Farmers of America chapter has been named the Arkansas state winner in the National FFA organization's Simulated Commodity Marketing program.

Students on the team were Aaron Hall, Mike Kyle, Chris Humbard and Alan Poyner.

Rounding out the remaining top places were the Strawberry (Lawrence County), Stanford (Greene County), Biggers-Reyno (Randolph County) and Deer (Newton County) FFA chapters, respectively.

The two-level commodity marketing program is one of FFA's newest programs, started in Arkansas in 1990. Level I, the Commodity Challenge, shows students how commodity markets work, how prices are established and marketing fundamentals. Level II, Simulated Commodity Marketing, teaches students the details of marketing agricultural commodities.

Awards for these programs were presented at the state FFA convention at Camp Couchdale near Hot Springs last week.

COMMODITY MARKETING RESOURCES
FOR AGRICULTURAL EDUCATION

COMMODITY MARKETING RESOURCES

FOR AGRICULTURAL EDUCATION

Marketing Commodities in a Global Economy
Price Discovery in the Marketplace

Northeast Arkansas Educational Cooperative
P.O. Box 100
Strawberry, Arkansas 72469

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PREFACE

"Infusing Commodity Marketing in the Agriculture Curriculum" was a 'pilot' project conducted during the 1990-91 school year in several agriculture departments in Arkansas. Arkansas was one of ten states to participate in the 'pilot' program on the national level.

The 'pilot' phase of the Commodity Marketing program was sponsored by the Stewart-Peterson Advisory Group, the Chicago Mercantile Exchange, and the Chicago Board of Trade as a special project of the National FFA Foundation.

The primary objective of the marketing program was to teach students about economics through the futures market. By participating in the project, students and educators became more knowledgeable about the following concepts: the importance of supply and demand and the role of the marketplace in price discovery; the basics of marketing agricultural commodities; the impact of add-on costs or how and why different commodities are priced; interest rates and financial instruments, and the futures market, its origin and its role in commodity marketing.

The two-level Commodity Marketing program is one of FFA's newest programs. Students involved in Level I, the Commodity Challenge, were exposed to how markets work, how prices are established and the fundamentals of marketing. Students selected a commodity, researched it, tracked it, and then prepared a written account about that particular commodity.

Students involved in Level II, Simulated Commodity Marketing, were taught the details of marketing agricultural commodities. The program allowed trading of five commodities: corn, wheat, soybeans, cattle, and hogs. The program enabled students to become more familiar with cash markets, forward contracting, futures, options, and hedging. The students placed "mock" trades to the Stewart-Peterson Advisory Group to market these commodities.

Donna Harris from the Northeast Arkansas Educational Cooperative served as the statewide Commodity Marketing Coordinator for this 'pilot' project under the direction of the State Agriculture Education Department, Vocational and Technical Education Division, Little Rock, Arkansas.

Funding for this project was provided by the Carl Perkins Vocational Education Act.

*Photo on front cover courtesy of the Chicago Board of Trade.

RESOURCE LIST FOR COMMODITY MARKETING IN AGRICULTURAL EDUCATION

SPRING, 1991

The following list includes just a few of the many possible resources that can be used in teaching commodity marketing. Use this as a guide and add to it as you come across additional information for classroom use.

* : Denotes primary resources used by agriculture teachers this year.

BOOKS

ADDRESS: Chicago Board of Trade
Education & Marketing Services
LaSalle at Jackson
Chicago. IL 60604
1-800-843-2268

* 1. Commodity Trading Manual. 1988.

* 2. The Commodity Challenge. 1988.

* 3. A Marketing Handbook for Producers. 1988

4. Introduction to Agricultural Hedging. 1988

5. Options to Agricultural Futures, A Home Study Course. 1989

6. The Marketplace: Supply/Demand, Production, Processing.

7. Grains: Production, Processing, Marketing. 1982

8. The Flexible Choice: Hedging with CBOT Agricultural Options.

9. The Flexible Choice: Speculating with CBOT Agricultural Options.

BOOKS

ADDRESS: Chicago Mercantile Exchange
30 S. Wacker Drive
Chicago, IL 60606
312/930-1000

10. Introduction to Livestock & Meat Fundamentals. 1988

11. A Self-Study Guide for Hedging With Livestock Futures. 1986.

12. Self Study Guide to Forward Pricing With Livestock Options. 1989.

13. Ten Strategies for Forward Pricing Livestock, Using Livestock Futures & Options.

14. Managing Purchase Prices. 1988.

BOOKS from various sources:

* 15. Farm Management Guide
Doane Company

* 16. Farm & Ranch Business Management
Oklahoma VO-ED Department

* 17. Farm Business Management I
Jobes & Stewart
Deere and Company

* 18. An Introduction to Commodity Marketing
Teacher Guide--1990/1991
Chicago Mercantile Exchange

* 19. Marketing for Farmers
Doane Company

* 20. World Book Encyclopedia

21. Economics of Futures Trading by Thomas A. Hieronymus, Commodity Research Bureau, Inc., 1971.

22. A Complete Guide to the Futures Market, by Jack D. Schwager, John & Sons. 1984.

23. Technical Analysis of the Futures Market, by John J. Murphy, New Institute of Finance, (Prentice-Hall).

24. Marketing: Reaching Today's Consumer, Wisconsin Milk Marketing Board, 8418 Excelsior Drive, Madison, Wisconsin 53717.

25. Modern Agriculture: Science, Finance, Production and Economics by SWI Publishing, 1989.

26. The Census of Agriculture: Lesson Plans
Ag Census USA, 1987
U. S. Department of Commerce
Bureau of the Census
Washington, D.C. 20233

27. The Farm Management Handbook.
Interstate

BOOKS

ADDRESS: Agri Data Resources
330 E. Kilbourn Avenue
Milwaukee, WI 53202

28. A Farm Futures Guide to Profitable Markets. 1982.

29. Charting a Farm Futures Guide to Profitble Markets. 1982.

30. Using Options by Top Farmers of America. 1986.

31. Step-by-Step Guide to Developing a Profitable Marketing Plan. 1986.

BOOKLETS (Chicago Board of Trade. See Address on page 1.)

CBOT Handbook series on Agricultural Markets:
December Corn/Oat Spread 1979-1989
July/December Corn Spread 1972-1987
July/November Soybean Spread 1966-1986
November/December Soybean Crush Spread 1979-1989
Soybean/Wheat Spread 1979-1989
Wheat/Corn Spread 1977-1988
Wheat and the Corn Market
Weather and the Soybean Market
Weather and the Wheat Market

LEAFLETS (Chicago Board of Trade. See address on page 1.)

* Contract Specifications
* Do's & Don'ts of Commodity Futures Trading
* Action in the Marketplace
* Speculating in Futures
* Understanding Basis-- The Economics of Where and When
Futures: The Realistic Hedge for the Reality of Risk
Corn Futures and Options
Oat Futures
Soybean Complex Futures and options
Soybean Oil and Meal Options Guide for Commercial Users

The Chicago Board of Trade has a publications catalog that lists their educational materials. Much of the educational material is free. To receive a copy of this catalog, just write the CBOT at the address on page 1. The catalog also gives descriptions of all its materials as well.

TELECOMMUNICATIONS SERVICES

* AgriData Network
330 E. Kilbourn Avenue
Milwaukee, WI 53202
1-800-558-9044

* ACRES
Farm Bureau
Little Rock, AR
1-501-391-9077

Pioneer Hi-Bred International, Inc.
Pioneer Information Network
11153 Aurora Avenue
Des Moines, Iowa 50322
1-800-338-5878

DTN Data Transmission Network
9110 West Dodge Road
Suite 200
Omaha, Nebraska 68114

TRANSPARENCIES

* How Farmers Can Use Markets
  Cooperative Extension Service: University of Illinois
  Vocational Agriculture service: College of Agriculture
  University of Illinois at Urbana-Champaign

NEWSPAPERS AND MAGAZINES

* Wall Street Journal
* The Arkansas Gazette
* The Arkansas Democrat
* The Farm Futures Magazine
* Progressive Farmer
  Local Paper
  Time
  Newsweek
  Agriculture

VIDEOTAPES: Available from Chicago Board of Trade, Education & Marketing Services Department, 141 W. Jackson, Suite 2210, Chicago, Illinois 60604-9812.

* The Fundamentals of Futures: 50"

  Covers the fundamentals of futures/options markets, hedging and speculating strategies for agricultural and financial markets, and principles of hedging, risk management, and price discovery.

* The Marketplace: 35"

  Marketing distribution channels, factors affecting supply and demand, agricultural commodities and financial instruments, and the futures market are covered in this videotape.

* Alternative Uses of Commodity Options: 17"

  Feature a variety of farm marketing strategies using CBOT ag options. Some of the strategies included in this video are put options for short hedging, call options as a substitute for shortage, and call options in combination with forward contracts.

* Where the World's Market Forces Converge: 14"

  Describe the functions of the Chicago Board of Trade, what futures are, the roles of the hedge and speculator/investor, price-risk transfer, and the role futures play in the world economy.

Business Management in Agriculture

This a series of marketing tapes available from Farm Credit Services, 1987.

COMPUTER SOFTWARE: Available from:

American Association for Vocational Materials
745 Gaines School Road
Athens, Georgia 30605

* Commodity Marketing

This program was created specifically to serve as a training aid for the new Commodity Marketing FFA Contest. Questions were written by the Stewart-Peterson Advisory Group and will be updated annually to include the previous years' contest questions.

Marketing and Operations and Related Review

This program will help the teacher and the student in the review and testing of the areas of marketing, futures, options and supply and demand. The students can review from the 327 questions and the teacher can prepare tests and quizzes from these questions. May be purchased for Apple II, IBM-PC, and MacIntosh.

Farm Management and Related Review I

This program consists of 300 multiple choice/T-F problem-type questions covering: basic economic principles, general marketing, future marketing and supply, demand and elasticity. Your students can review and you can construct tests and quizzes for use as class evaluation instruments. May be purchased for Apple II, IBM-PC, and MacIntosh.

FUTURES EXCHANGE

The futures exchange where commodities are traded have literature available. Contact the marketing, public relations or education departments. In addition to the Chicago Board of Trade, other exchanges to call or write are:

Chicago Mercantile Exchange ---- 312/930-1000
30 S. Wacker Drive
Chicago, IL 60606

MidAmerica Commodity Exchange
LaSalle at Jackson
Education and Marketing Literature
Chicago, IL 60604
1-800-THE-CBOT

New York Mercantile Exchange
4 World Trade Center
New York, NY 10048
212/938-2222

Kansas City Board of Trade
4800 Main Street
Suite 303
Kansas City, MO 64112
816/753-7500

Minneapolis Grain Exchange
400 South Fourth Street
Minneapolis, MN 55415
612/338-6212

TRADE ASSOCIATIONS

(Contact the association related to individual commodity.)

American Bankers Association
1120 Connecticut Avenue N.W.
Washington, D.C 20036
202/663-5000

American Soybean Association
Box 27300
St. Louis, Missouri 63141
314/432-1600

National Association of Wheat Growers
415 Second Street N.E., Suite 300
Washington, D.C. 20002
202/547-7800

National Corn Growers Association
1000 Executive Parkway
St. Louis, Missouri 63141
314/275-9915

OTHER RESOURCES

Instructor
Librarians at school and community librarians
Local business people--commodity brokers; grain elevator operators, bankers, and others who use the futures market as part of daily business.
Universities
Federal Reserve Banks
United States Department of Agriculture, Washington, D.C. 20005